



General Assembly

Substitute Bill No. 133

February Session, 2002

**AN ACT CONCERNING THE APPLICABILITY OF MEDICARE
SUPPLEMENT INSURANCE RATE INCREASES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-495c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2002*):

3 (a) [Any] Each insurance company, fraternal benefit society, hospital
4 service corporation, medical service corporation, health care center or
5 any other entity in this state, on or after January 1, 1994, [which] that
6 delivers, issues for delivery, continues or renews any Medicare
7 supplement insurance policies or certificates shall base the premium
8 rates charged on a community rate. Such rate shall not be based on
9 age, gender, previous claims history or the medical condition of the
10 person covered by such policy or certificate. Except as provided in
11 subsection (c) of this section, coverage shall not be denied on the basis
12 of age, gender, previous claim history or the medical condition of the
13 person covered by such policy or certificate, except for plans "H" to "J",
14 inclusive, as provided in section 38a-495b. In plans "H" to "J", inclusive,
15 previous claims history and the medical condition of the applicant may
16 be used in determining rates and granting coverage under Medicare
17 supplement policies and certificates.

18 (b) Nothing in this section shall prohibit an insurance company,
19 fraternal benefit society, hospital service corporation, medical service

20 corporation, health care center or any other entity in this state issuing
21 Medicare supplement insurance policies or certificates from using its
22 usual and customary underwriting procedures, provided no such
23 company, society, corporation, center or other entity shall issue a
24 Medicare supplement policy or certificate based on the age, gender,
25 previous claims history or the medical condition of the applicant,
26 except that the previous claims history and the medical condition of
27 the applicant may be used in determining rates and granting coverage
28 under Medicare supplement policies and certificates for plans "H" to
29 "J", inclusive.

30 (c) Nothing in this section shall prohibit an insurance company,
31 fraternal benefit society, hospital service corporation, medical service
32 corporation, health care center or any other entity in this state when
33 granting coverage under a Medicare supplement policy or certificate
34 from excluding benefits for losses incurred within six months from the
35 effective date of coverage based on a preexisting condition, in
36 accordance with section 38a-495a and the regulations adopted
37 pursuant to section 38a-495a.

38 (d) [Every] Each insurance company, fraternal benefit society,
39 hospital service corporation, medical service corporation, health care
40 center or other entity in the state issuing Medicare supplement policies
41 or certificates for plan "A", "B", [or] "C" or "D", or any combination
42 thereof, to persons eligible for Medicare by reason of age, shall offer
43 for sale the same such policies or certificates to persons eligible for
44 Medicare by reason of disability.

45 (e) [Every] Each insurance company, fraternal benefit society,
46 hospital service corporation, medical service corporation, health care
47 center or other entity in the state issuing Medicare supplement policies
48 or certificates shall make all necessary arrangements with the Medicare
49 Part B carrier and all Medicare Part A intermediaries to allow for the
50 forwarding, to the issuing entity, of all Medicare claims containing the
51 name of the entity issuing a Medicare supplement policy or certificate
52 and the identification number of an insured. The entity issuing the

53 Medicare supplement policy or certificate shall process all benefits
 54 available to an insured from a Medicare claim so forwarded, without
 55 requiring any additional action on the part of the insured.

56 (f) The provisions of subsections (a) to (e), inclusive, of this section
 57 shall apply to all Medicare supplement policies or certificates issued
 58 on and after January 1, 1994. For Medicare supplement policies or
 59 certificates issued prior to January 1, 1994, the provisions of this
 60 section shall apply as of the first rating period commencing on or after
 61 January 1, 1994, but no later than January 1, 1995.

62 (g) For a Medicare supplement policy or certificate first issued by an
 63 entity to a person on or after October 1, 2002, the entity may not
 64 impose a rate increase on such person until at least six months after the
 65 initial date of issue.

66 (h) For a Medicare supplement policy or certificate delivered, issued
 67 for delivery, renewed, amended or continued on or after October 1,
 68 2002, the entity may not impose a rate increase on a person until at
 69 least six months after any prior rate increase was imposed on the
 70 person.

71 [(g)] (i) The Insurance Commissioner shall adopt such regulations as
 72 he deems necessary, in accordance with chapter 54, to carry out the
 73 purposes of this section.

This act shall take effect as follows:	
Section 1	October 1, 2002

AGE*Joint Favorable Subst. C/R*

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